

HOUSE BILL REPORT

HB 2509

As Reported by House Committee On:
Local Government

Title: An act relating to local ballot measures authorizing taxes.

Brief Description: Requiring fiscal information in local tax ballot measure titles.

Sponsors: Representatives Takko, Morrell, Simpson and Dickerson.

Brief History:

Committee Activity:

Local Government: 1/19/06, 1/25/06 [DPS].

Brief Summary of Substitute Bill

- Modifies ballot provisions relating to voter-approved locally-imposed property taxes.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Simpson, Chair; Clibborn, Vice Chair; Schindler, Ranking Minority Member; Ahern, Assistant Ranking Minority Member; B. Sullivan, Takko and Woods.

Staff: Kasa Tupua (786-7291).

Background:

Bill Title Requirements

State law establishes bill title requirements for various measures submitted to voters, including constitutional amendments, state initiatives and referenda, and local government ballot propositions. The ballot title for a measure submitted to voters of a local government must include a statement of the subject matter, an identification of the enacting legislative body, and a concise description of the measure that is posed as a question. A 75 word limit also applies to local government ballot measures.

The city or town attorney is required to prepare the concise description if the local government unit is a city or town. If the local government unit is a county, the prosecuting attorney must prepare the description. If the local government unit is other than a city, town, or county, the prosecuting attorney of the county in which the unit is located is obligated to prepare the description.

Ballot Form for Property Tax Levies

State law requires the following information on a ballot form authorizing a taxing district to impose either a regular property tax levy or a permanent tax levy:

- the name of the taxing district;
- the rate of the assessed valuation;
- the additional number of years subject to annual adjustments as allowed by law (for a regular property tax levy); and
- "yes" or "no" boxes for voting.

Tax Revenue Limit Provisions

A property taxing district's regular property tax levy is limited by a statutory maximum growth rate in the amount of tax revenue that may be collected annually. Voters may approve a proposition that increases the amount of a regular property tax levy, which is called a "lid lift." Voters also may approve:

- a permanent or temporary lid lift;
- a lid lift that sets the growth rate for the property tax revenue limit calculation for up to six years;
- to limit the purpose of the lid lift;
- to set the rate at less than the maximum allowed; or
- to use the maximum allowable dollar amount of the final annual levy to compute the limitations on levy increases occurring after the expiration of the period.

After the expiration of the period for a lid lift, the property tax levy reverts to the amount that would have been allowed under the 1 percent revenue limit had the lid lift not been in place.

Summary of Substitute Bill:

Local ballot statutes are changed in three ways. First, qualifying ballot titles must contain an amount in terms of dollars, along with an estimate of the dollar rate of the tax levy. Second, qualifying ballot propositions must include additional information regarding the levy amount, estimated rate, imposition year, and the additional number of years allowed to collect the levy subject to annual adjustments. Third, ballot provisions pertaining to voter-approved, locally-imposed property taxes must also state the dollar amount, and an estimate of the dollar rate of the tax levy. These ballot provisions must set the levy amount so the estimated rate is less than the maximum rate allowed.

Substitute Bill Compared to Original Bill:

The ballot provisions on locally-imposed property taxes are modified to add a stipulation regarding the additional number of years allowed to collect the levy, subject to annual adjustments.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The language in the bill clarifies necessary information for citizens to make informed decisions about their individual property tax bills. This bill will improve equity and fairness due to the clarity and transparency regarding local ballot measures.

Testimony Against: None.

Persons Testifying: Representative Dean Takko, prime sponsor; Dianne Dorey, Lewis County Assessor; Robert H. Carlton, Washington Association of County Officials; Scott Noble, Washington State Association of County Assessors; and Jim Avery, Kitsap County Assessor.

Persons Signed In To Testify But Not Testifying: None.